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PP RUEHCHI RUEHDT RUEHHM
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ZNR UUUUU ZZH
P 031139Z MAY 06
FM AMEMBASSY JAKARTA
TO RUEHC/SECSTATE WASHDC PRIORITY 3630
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS
RUEHBY/AMEMBASSY CANBERRA 9381
RHMFIUU/USS ABRAHAM LINCOLN
RHEHNSC/NSC WASHDC
RHHMUNA/USCINCPAC HONOLULU HI
RUEHGV/USMISSION GENEVA 7342
RUEKJCS/DOD WASHDC
RUEHC/DEPT OF LABOR WASHDC

UNCLAS SECTION 01 OF 02 JAKARTA 005580

SIPDIS

SENSITIVE
SIPDIS

DEPT FOR EAP/MTS AND DRL/IL
DEPT ALSO FOR DS/IP/EAP AND DS/DSS/ITA
DEPT OF LABOR FOR ILAB

E.O. 12958: N/A

TAGS: [ELAB](#) [ECON](#) [EINV](#) [PGOV](#) [PHUM](#) [KJUS](#) [ASEC](#) [ID](#)

SUBJECT: UNIONS BESIEGE PARLIAMENT (AGAIN), PROTEST TURNS
UGLY

REF: A. JAKARTA 5486 - MAY DAY PROTESTS AGAINST REFORMS

- [1](#)B. JAKARTA 4465 - GROWING WORKER PROTESTS
- [1](#)C. JAKARTA 3563 - INVESTMENT CLIMATE PACKAGE
- [1](#)D. JAKARTA 1645 - AMBASSADOR DISCUSSES LABOR REFORM

Summary

[1](#)1. (SBU) Tens of thousands of union-led demonstrators besieged the gates of the Indonesian Parliament (DPR) on March 3 to force Parliament to agree to refuse any amendment to the Manpower Act. The demonstration, with an estimated turnout of 50,000, turned tense in the afternoon as labor leaders failed to emerge from the Parliament building with any agreement. Police eventually used water cannons, tear gas, and anti-unit personnel to disperse the crowd in the late afternoon. There were no immediate reports of serious injuries. President Yudhoyono, scheduled to return to Jakarta from a Middle East tour May 4, issued a statement calling for all parties to stand down. Vice President Jusuf Kalla read out a statement condemning the anarchy of today's protest and speculating that politically-motivated provocateurs had helped to spark the confrontation. End Summary.

Largest Union Body Targets DPR

[1](#)2. (SBU) Following massive, but peaceful labor demonstrations in Jakarta on May 1 (ref a), Indonesia's largest labor umbrella group, the All-Indonesia Trade Union Confederation (SPSI), took its latest turn on May 3 to protest again the Yudhoyono administration's intention to revise a fundamental labor law, the 2003 Manpower Act. The revisions, intended to improve the investment climate, would introduce greater labor market flexibility, including reducing mandatory severance pay to levels in line with regional norms and allowing greater flexibility for use of contract labor. SPSI did not take part May 1, in part because of May Day's socialist connotations among other factors. SPSI, which generated the large April 5 demonstrations that caused Yudhoyono to scuttle immediate plans to introduce amendments to the Manpower Act, focused the May 3 protest on the DPR. The May 1 protests had succeeded in obtaining written commitments to oppose any

revisions to the Manpower Act from the parliamentary committee charged with labor affairs. SPSI leaders sought a more formal commitment from the DPR as a whole.

13. (SBU) SPSI protestors arrived near the DPR in bus and truck convoys during the morning hours of May 3. Local media ran accounts of SPSI members "sweeping" factories to force workers to participate in the protest. The SPSI-led demonstration grew in size during the morning, reaching, by some estimates, 50,000 mid-day. Crowds and buses stretched for kilometers along access roads leading to the Parliament complex. By early afternoon, the front line demonstrators attempted unsuccessfully to force their way into the DPR complex, damaging the main gates. At approximately 1300, police released tear gas and fired water cannons at the crowd.

Forcing DPR's Hand

14. (SBU) Not satisfied with supportive statements from DPR members, ten labor representatives entered the the legislature to negotiate with senior leaders a formal document committing the DPR to refuse any amendments. According to a senior union official on the scene, DPR leaders would not endorse the document without the agreement of DPR chairman Agung Laksono, who remained absent. (Comment: Agung at the time was with the Ambassador on a visit to the USS Abraham Lincoln. End Comment.)

Police Use Tear Gas to Disperse Demonstrators

15. (SBU) With no word from inside the DPR, demonstrators

JAKARTA 00005580 002 OF 002

became restless and advanced again on the main gate. At that point, police fired multiple volleys of tear gas, and organized anti-riot personnel with shields to forcibly disperse the demonstration. By 1600 police had split the protestors, and the demonstration before the DPR had dispersed by 1700. There were some reports of protestors vandalizing public and private property as they moved away from the DPR. Police reportedly arrested a small number of demonstrators.

SPSI Leaders - Mission Accomplished

16. (U) By 1800, union leaders finally emerged with a document signed by two DPR deputy chairmen, pledging the DPR's opposition to the amendments. SPSI official Hikayat Atika Karwa told reporters, "We thank the DPR for agreeing to our request. However, if the government still forces the revision (of the law) and the DPR discusses this, we will take actions that shake the government, such as a national strike."

Yudhoyono Promises to Review Labor System

17. (U) President Yudhoyono, speaking to reporters May 3 in Jordan, called on all parties to pause, and not continue the protests and heated rhetoric over the issue of the labor law. Yudhoyono stated that the government would review the entire labor system and its legal framework, looking not only at the Manpower Act. Yudhoyono is to return to Jakarta from Jordan on May 4.

Kalla: Political Actors behind the Violence

18. (SBU) Vice President Jusuf Kalla, who has minded the store during Yudhoyono's Middle East tour, read out a statement to reporters late in the afternoon May 3. Kalla expressed concern over the anarchy that had taken place at

the DPR and stated his belief that workers did not desire such lawlessness. He drew a comparison between the peaceful protests on May 1 and the violence of May 3, concluding that the SPSI demonstration had been infiltrated by politically-motivated provocateurs. (Comment: Senior SPSI leaders have links to the opposition Indonesian Democratic Party-Struggle of former President Megawati, as well as to various factions of the Golkar party, not all supportive of Golkar chairman Kalla. Some senior union leaders have focused their ire on Kalla, whom they see as the major proponent behind the amendments due in part to his background as a businessman. End Comment.)

Rival Union Leader: SPSI Went Too Far

¶9. (SBU) We spoke with the leader of a rival union confederation, which had participated in the May 1 rallies. He commented that SPSI had gone too far in its actions at the DPR with its attempt to force another DPR agreement, beyond that already achieved two days before. This opposing union leader endorsed VP Kalla's view, stating that outside actors had financed SPSI to mobilize so many demonstrators; SPSI itself is cash-strapped and could not have funded so many buses.

Comment

¶10. (SBU) Organized labor flexed its muscle again in the capital. Whereas the May 1 demonstrations appeared a success for organized labor, the coming days will tell if the ugly scene that SPSI created at the Parliament will reduce public sympathy or political support for the unions' demands. Successful mob action to force the hand of the elected legislature would be a negative step for Indonesian democracy.
PASCOE